



OWRL GISTICS

S U P P O R T I N G O U R
U K C U S T O M E R S
T H R O U G H B R E X I T

EU-UK TRADE AND COOPERATION AGREEMENT

The UK and EU trade deal that was announced on Christmas Eve 2020 provides more clarity for UK and EU trade from the end of the transition period. As our own teams work through the detail of the deal, the below are the essential requirements for shipping from 1 January 2021.

- The Customs Declarations are required between Great Britain and the European Union, therefore Commercial or Pro-Forma Invoices are needed.
- The trade and cooperation agreement means that in most cases Customs duties will not be applied as a zero tariff has been confirmed for goods sent between the UK and EU, however this is conditional on Rules of Origin Requirements being confirmed when shipping. Note that VAT will still be levied.
- Changes to UK VAT requirements will still be implemented.
- Details for trade with Northern Ireland have been confirmed on 31 December 2020.





B R E X I T

ZERO TARIFF UNDER THE EU-UK TRADE AND COOPERATION AGREEMENT (TCA)

Current EU regulations mean that Customs Duties will not be applied to goods under €150 (regardless of origin). VAT will not be applied to goods under €22 (until July 2021).

- Products that originate from the EU or UK qualify for preferential treatment (zero tariff) under the EU-UK TCA. No customs duties are levied (but VAT still has to be paid or accounted for).
- Check if your products comply with the agreed Rules of Origin in Chapter 2 of the Agreement, along with product specific Rules of Origin in the Annex. The Agreement can be found [here](#).
- To qualify for preferential treatment (zero tariff) at the time of import, the customs declaration in the EU or the UK must include a proof of origin statement.
- Excise Duties will be applied to Excise shipments of all values, regardless of origin.

Please note that it is your responsibility to determine the Country of Origin of goods accurately and provide the relevant paperwork. Without the relevant paperwork, it may not be possible to claim the duty relief and the carrier reserves the right to charge or refuse future requests for post-clearance modification

PROOF OF ORIGIN UNDER THE EU-UK TRADE AND COOPERATION AGREEMENT (TCA)

Current EU regulations mean that Customs Duties will not be applied to goods under €150 (regardless of origin). VAT will not be applied to goods under €22 (until July 2021).

- UK-EU shipments: the origin statement on the invoice can be made out by any exporter who has a GB EORI number. The GB EORI number must be included within the origin statement regardless of the value of the shipment.
- For EU-UK shipments: the origin statement on the invoice can be made out by any exporter where the value of the consignment is 6,000 EUR (currently £5,700) or less. Above this amount the EU exporter must have a Registered Exporter (REX) number and include it in the statement.

Please use the following text for the origin statement on the Commercial or Pro-forma invoice: The exporter of the products covered by this document (Exporter Reference No. (REX or GB EORI number)) declares that, except where otherwise clearly indicated, these products are of preferential origin.

(Place and date)*

(Name of the exporter)

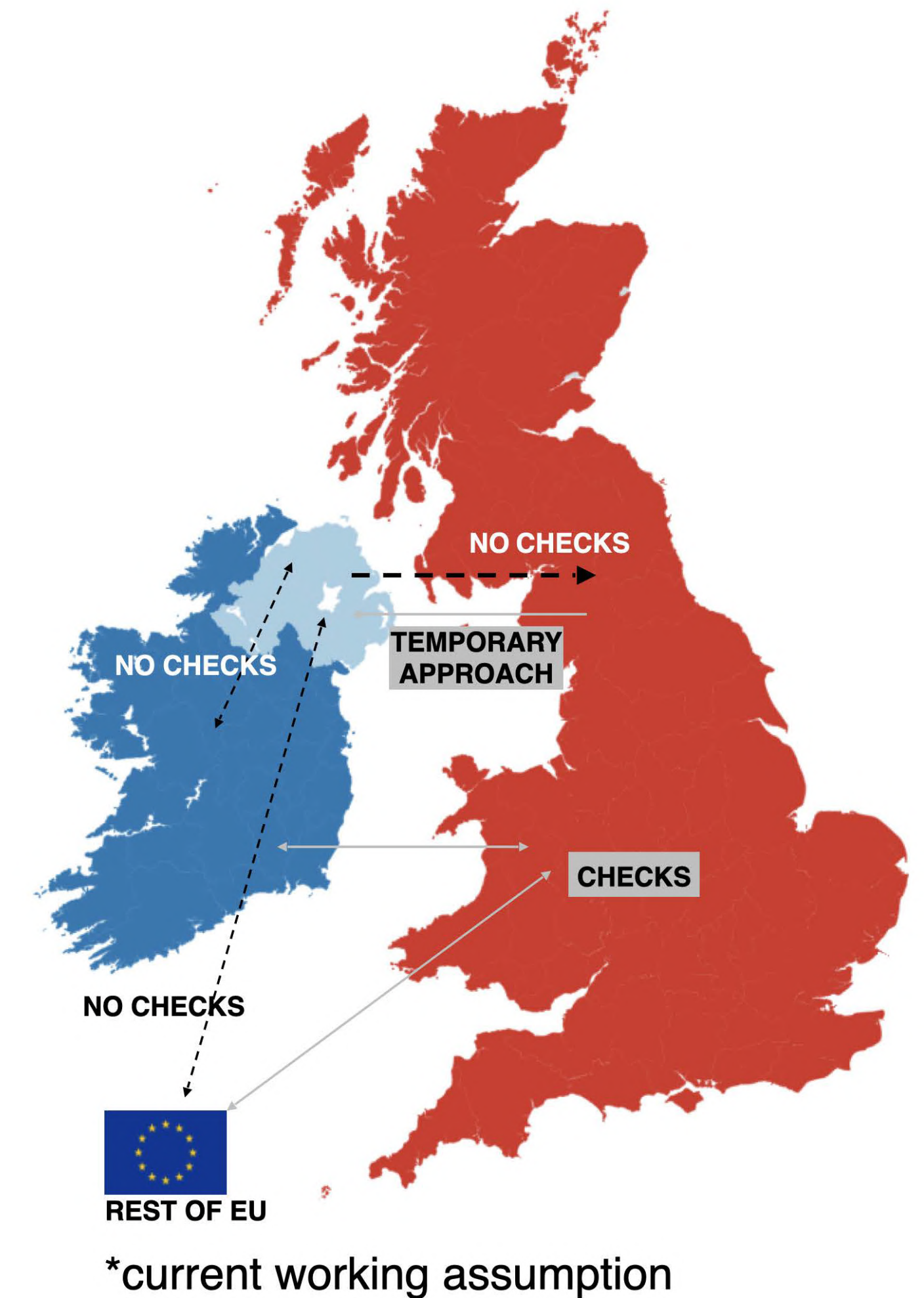
*Can be excluded if this information is already contained in the document itself

NORTHERN IRELAND

In December 2020 the UK-EU Withdrawal Committee Joint Committee reached an agreement on the implementation of the Northern Ireland Protocol. This agreement and the subsequent guidance published by the UK Government is unchanged by the UK-EU Trade and Cooperation Agreement.

Further guidance regarding the movement of parcels was published on 31 December. It confirms:

- A 3 month, temporary approach to applying declaration requirements for parcels moved by express carriers from Great Britain to Northern Ireland. This will enable parcels to continue to move as they do now in most cases until 31 March 2021.
- For goods valued at £135 or more received by NI businesses, a declaration must be submitted by the receiver within 3 months of receiving the goods. Further detail on how to submit this declaration is expected, however businesses are encouraged to sign up to the Trader Support Services and store invoices for the goods received.
- Excise goods and restricted and prohibited goods sent from Great Britain to Northern Ireland may require a declaration to be made. Services and store invoices for the goods received.
- Northern Ireland to Great Britain: the majority of goods will not attract new customs processes. There is further detail on qualifying Northern Ireland goods [here](#).
- Between Northern Ireland and the EU: no customs declarations are required for these movements, they will be treated as intra-EU.



*current working assumption

NORTHERN IRELAND EORI NUMBERS

The Government states that: An EORI number starting with XI will be required to move goods to or from Northern Ireland from a non-EU country, to make a declaration and get a customs decision in Northern Ireland, from 1 January 2021.

You must already have a GB EORI number to get an XI EORI number.

If you already have a GB EORI number and HMRC think you need an XI EORI number, you'll be automatically issued one in mid-December 2020. For Northern Ireland based customers, the 'GB' prefix of your EORI number will be changed to 'XI' and we will automatically update our systems with this.

For GB based customers using Express services, an XI EORI number will not be required to move goods to and from NI, as long as you do not need to be the importer on record in NI.

To get advice on moving goods between Great Britain and Northern Ireland sign up for the Trader Support Service.



CHANGES TO UK VAT FROM 1 JAN 2021

UK VAT <£135

UK VAT on goods valued up to £135 will be collected at the point of sale.

- Overseas businesses selling goods, valued between £0-135, to be imported into the UK will be required to charge and collect any VAT due at the time of sale.
- They must be registered for UK VAT and pay VAT using a UK VAT return.
- VAT registered UK importers can still choose to account for the VAT by providing their VAT registration to the supplier. For details see the 'Business to business sales' section here.
- Alongside this, Low Value Consignment Relief (LVCR) will be abolished, meaning VAT will be due at the time of sale on all imported goods valued £0 - £135.*

More information is available [here](#).
* excludes excise goods and gift

UK VAT >£135

Postponed VAT Accounting (PVA) will be introduced for imports valued at more than £135.

PVA will allow registered UK businesses to declare and recover import VAT on the same VAT Return. HMRC will provide digital statements detailing PVA transactions. This benefits your business in a number of ways, including:

- Improved cash flow
- Fewer invoices to process
- Options on how you instruct the carrier to clear your shipments.
- Reduce the additional charges from the carrier associated with contacting you for customs instructions since VAT is no longer paid upfront.

No additional charge to use PVA with the carrier
If you wish to do so, provide confirmation, VAT and EORI numbers on your commercial invoice.

More information on PVA is available on the UK Government site [here](#). PVA will be available for goods imported into Great Britain from anywhere outside the UK. For Northern Ireland it is available for goods imported from outside the UK and EU.

B R E X I T

CHANGES TO EU VAT

From 2021, The EU will be moving to a similar VAT collection model to that being introduced in the UK.

When goods worth up to €150 are purchased from sellers outside the EU, VAT will be charged at the time of sale.

The current €22 VAT threshold for importing goods into the EU will also be removed. This means VAT will be due on all nondocument shipments from the UK to the EU.

More information is available [here](#).





B R E X I T

BREXIT FEE

From 1 January 2021, a fee will be levied on all dutiable shipments between Great Britain and European Union countries, both inbound and outbound. Depending on your chosen carrier, our Portal will quote the appropriate clearance charges. This fee, applied by the carriers, may be adjusted should circumstances change significantly.

This fee was introduced due to additional costs to the carriers to implement the below for shipments to/from the EU:

- Customs requirements for all shipments between GB & EU. This results in an increase in the number of declarations, licenses, data submissions, overall processing, plus new IT systems.
- Border formalities will be introduced that must be complied with, i.e. the new 'Border Ready' requirements in Kent.
- Increased regulatory requirements restricting commodities into Europe.
- Increased Bond storage facilities and associated security.

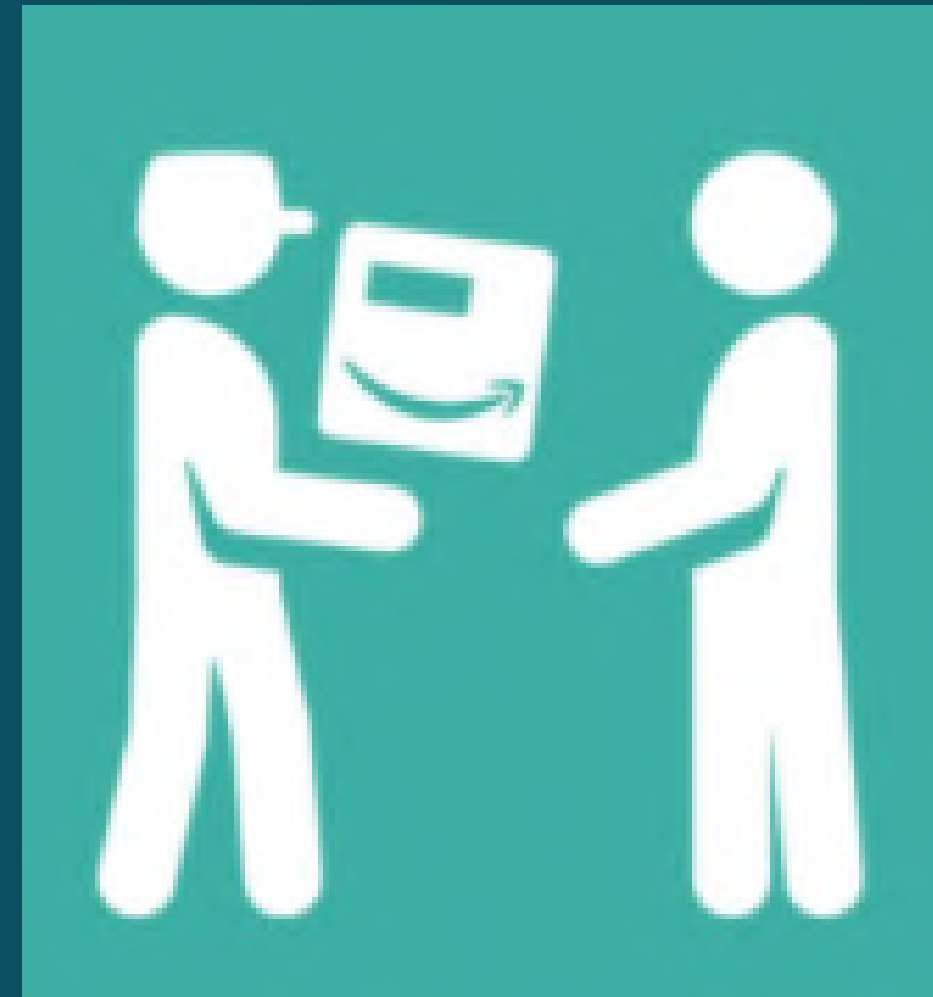
Please note that no Brexit fee will be applied to goods moving between Northern Ireland and the EU, based on current customs law, however should this customs position change, carriers may need to revisit this position.

RETURNED SHIPMENTS

If a declarable shipment is being returned from the EU to the UK, Customs paperwork must also accompany this return, in the same way as it would when a shipment is returned from a non-EU country.

A Customs Invoice will be required for the return, along with reference to the original outbound shipment in order to avoid unnecessary delays or Customs charges.

Any shipments sent before the 1 January 2021, but returned subsequently, will still require Customs paperwork.



CHECKLIST FOR SHIPPING WITH THE EU




CUSTOMS IN THE EU

Have you confirmed your EORI number with us?

☐ Yes ☐ No

EORI = **E**conomic **O**perator **R**egistration and **I**dentification

- EORI number required in order to release goods.
- From 1 January 2021, you will need one when trading with the EU.
- GB based businesses will require a GB EORI number.
- NI based businesses will now require an XI EORI number.



- VAT-registered businesses were automatically issued with a GB EORI number in September 2019. Businesses without an EORI can apply for free at www.gov.uk/eori.

- The government will issue XI EORI numbers, where needed, in mid-December. You must already have a GB EORI number to receive an XI EORI number.

- As a priority, please **UPDATE** your portal account with your EORI number. Please also include it on Commercial Invoices to promote smooth customs processing and clearance.

CUSTOMS IN THE EU

Have you completed a Commercial or Pro-Forma invoice?

☐ Yes ☐ No

This is essential paperwork in order for your goods to clear Customs in the destination.

- Include detailed goods description and HS codes for the products you are sending.
- List each item by line, starting with the most valuable.
- Please also include this on your waybill.



For the carrier to clear shipments through customs on your behalf, the following must accompany your shipment:

- Commercial or Pro-Forma Invoice (for B2B shipments you must also include the receiver's TAX ID and EORI number)
- Any relevant licences or certificates
- The waybill
- A packing list (often required by destination Customs)

Submit documents electronically using Paperless Invoice via our Portal– or attached to your shipment where Paperless Invoicing is not accepted in the destination country.

CUSTOMS IN THE EU

Have you included a Proof of Origin statement?

☐ Yes ☐ No

The EU-UK Trade and cooperation agreement means that in most cases Customs duties will not be applied as a zero tariff has been confirmed for goods sent between the UK and EU, however this is conditional on Rules of Origin Requirements being confirmed when shipping. Note that VAT will still be levied.



Please check if your products comply with the agreed Rules of Origin in Chapter 2 of the Agreement, along with product specific Rules of Origin in the Annex. The Agreement can be found [here](#).

The following text should be used for the origin statement on the Commercial or Proforma invoice:

“The exporter of the products covered by this document (GB EORI number) declares that, except where otherwise clearly indicated, these products are of preferential origin. (Place and date)* (Name of the exporter)”

*All commercial invoices generated through the World Options Portal will automatically have this statement applied where required.

CUSTOMS IN THE EU

Are you using Paperless Invoicing?

☐ Yes ☐ No

Paperless Invoicing is a service incorporated within our Portal to support digital submission of customs documents.



Provides a stable platform to work from, a reduction in potential delays (as the carriers data-entry teams have earlier visibility), and no requirement for physical paperwork to accompany shipments.

This service is now available for all international shipments with UPS, DHL and FedEx.

*If certificates or licences are required, Paperless Invoicing cannot be used and hard copies must be provided.

**Most, but not all, countries accept Paperless Invoicing. Please ask your Account Manager for further info.

CUSTOMS IN THE EU

Have you checked if your shipments are classed as a document or non-document?

☐ Yes ☐ No

Incorrectly marked shipments could result in delays, or items being returned undelivered.



When shipping internationally it is important to consider the content of your shipment, as documents and non-documents are treated differently.

It isn't always obvious which category your shipment falls in to, so please review this useful guide or speak with your account manager.

CUSTOMS IN THE EU

Do you know the commodity code for your product?

☐ Yes ☐ No

The goods you are sending are identifiable via a precise, internationally recognised commodity (Harmonised System) code.

Note: you must ensure the commodity code is included on your commercial / pro-forma invoice.



- Ensures the correct duties and taxes are applied by Customs.
- Used to identify the duties and taxes applicable in each country you're sending to, (the exact rates that will apply in the EU for UK shipments are yet to be agreed).

To identify the commodity code for your product(s) visit the UK Government site [here](#).

CUSTOMS IN THE EU

Do you offer your customers a Delivery Duties Paid (DDP) service?

☐ Yes ☐ No

By offering a DDP service, you can bill all duty and taxes back to your account instead of your customer being charged on receipt of their parcel. Charges will apply.



Did You Know?

Research shows retailers who send DDP are growing at double the rate of those that choose for duty to be paid by the customer on delivery, with the impact being 70 per cent of online shoppers choosing to prepay duties and taxes at checkout.



SHIPPING MADE SIMPLE

Choose from leading couriers any volume shipping and leverage the speed, service, and bulk rates we offer.

Contact us at
sales@owrlogistics.com today!

THIS IS OUR FIELD OF EXPERTISE.

Our International Specialists are here to support you.

By increasing the number of countries you trade with, you will reduce risk and increase the opportunities for growth.

We'll be with you every step of the way.